

Committee on Ways and Means

QI, TMA and Abstinence Extension and Hurricane Katrina Unemployment Relief Act of 2005

Unemployment Benefits for Individuals Affected by Katrina

- Provides \$500 million in federal unemployment funds to disaster states to help them pay regular unemployment benefits: \$400 million to LA, \$85 million to MS, and \$15 million to AL. Funds are divided among states according to their share of expected increased unemployment benefit payments attributable to Hurricane Katrina.
- Includes a technical change recommended by the Department of Labor that provides all states the flexibility to use current federal unemployment administrative funds to assist Katrina victims in need of unemployment benefits.

Cost: \$167 million over five years; \$394 million over 10 years

Extension of Health Benefits

- Extends the Transitional Medical Assistance (TMA) program, which continues Medicaid for families leaving welfare for work, through December 31, 2005.
- Extends the Abstinence Education program through December 31, 2005.
- Extends the QI-1 program, through which state Medicaid programs help low-income seniors pay Medicare Part B premiums, through September 30, 2007.

Cost: \$518 million over five years and 10 years

Medicare and Medicaid Savings

- Prohibits Medicare and Medicaid coverage of drugs for treatment of erectile dysfunction.

Savings: \$690 million over five years; \$2 billion over 10 years

In total, the bill reduces the deficit by \$5 million over five years and by \$1.1 billion over 10 years.

Background

On October 6, 2005, the House passed H.R. 3971, the *Social Services Emergency Relief and Recovery Act of 2005*, by voice vote. The bill would:

- Help Louisiana, Mississippi and Alabama pay regular unemployment benefits to workers who lost jobs in the wake of Hurricane Katrina;
- Provide those three states with access to the TANF contingency fund to help pay emergency benefits to intrastate evacuees;
- Extend the QI-1 program for one year (through September 30, 2006);
- Extend the TMA and Abstinence Education programs for three months (through December 31, 2005.)
- Prohibit Medicare and Medicaid coverage of erectile dysfunction drugs.

On October 7, 2005, the Senate passed H.R. 3971, with an amendment, by Unanimous Consent. The Senate amendment differed from the House-passed bill as follows:

- The amendment did not include any unemployment or TANF provisions for states affected by Hurricane Katrina.
- The amendment extended the TANF, TMA and Abstinence Education programs through March 31, 2006.

The House and Senate adjourned without reconciling the differences between the House-passed bill and the Senate amendment.

The *QI, TMA and Abstinence Extension and Hurricane Katrina Unemployment Relief Act of 2005* reflects a compromise between the House and Senate versions of H.R. 3971.